

5-14-85
12.3.8 v.3



ASH GROVE CEMENT WEST, INC.

Inter-Office Memorandum

Date May 14, 1985

To File

From Ken Rone

Copies to N. Fernow

Subject New Plant Raw Materials

E. Miller

J. Post

E. Voldbaek

The following notes outline the events of a meeting held today among the following attendees:

Ralph Clark
James Post
Kenneth Rone

USEPA SF



1261136

1. Blum Standstone

A. Meridian Land and Mineral Co., supplied the attached Exploration Permit for access to, and drilling on, the Blum property.

1. Clark explained that the permit should have named Ash Grove Cement West, Inc. It was not rewritten because the drilling had already been done and the issue was moot.

B. Clark will assess the proven reserve tonnage and over burden tonnage.

C. Clark has reservations about the long term potential of this site due to encroachment and rezoning. He suggested twenty (20) years maximum.

2. White River

A. Clark recommended abandoning trenching plans and recommended drilling proposed sites with Air-Trac drill.

1. Chip samples would be gathered.

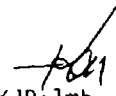
2. Plan on 400' per shift.

3. Proposed drillers.

- a. D B Murphey. No quote submitted at this time. This firm is large and expensive (possible twice as high as next lowest).
- b. J C Drilling. \$90/hr. Good firm, but not well suited for this effort. \$400/move-in.
- c. Bud Shook Co. \$85/hr. \$160 move-in. Powder people recommend him as an accurate and professional driller.

MEMO TO: FILE
SUBJECT: New Plant Raw Materials
Page Two

- d. Montgomery and Nerhogen. \$60-\$70/hr. \$200 move-in.
- 4. Plan on \$1.60/ft for budgeting purposes without mobilization charge.
- B. We asked Clark to consider both a hi-silica and hi-iron location for drilling.
- C. Confirmed that reclamation requirement would be minimal. A sloped, hillside quarry would be preferred from a reclamation standpoint.
- D. Our desire is to move fast with preference to a hi-silica quarry.
 - 1. Site 2069 (SP-84-24) provides best potential for stockpiling and highway access. No road presently available.
 - 2. Old quarry site (SP-84-13) most accessable.
 - 3. Site SP-84-30 is too close to highway for further consideration.
- E. Drilling plan (pending Mr. Miller's approval).
 - 1. Put one hole (50') in quarry floor to access drill bit wear and evaluate sub-surface reserve.
 - 2. Put two holes in vicinity of old quarry to determine extent (50' each).
 - 3. Put four holes (50' each) at site SP-84-28, 100' apart to determine quality, over burden and extent (50' each).
 - 4. Put eight holes at SP-84-29 site to determine quality and extent (50' each).
 - 5. Put two holes near SP-84-27 to determine quality and extent.
 - 6. Clark will need one assistant for sampling and safety.
 - 7. Estimate a full week drilling beginning June 3rd.
 - 8. Cost (contractor only) 17 holes @ 50' @ \$1.60/ft plus \$320 move = \$1680.
- F. Clarks time during last week of May is committed to court proceedings.
- G. Confirmed that the area claimed by Ash Grove to be covered by the "Gentlemans Agreement" of first refusal is indicated on the attached memo and as communicated to Weyerhaeuser on 3/28/85.
 - 1. We should explain to Weyerhaeuser our desire to supply others which would increase the royalty tonnage markedly.
- H. I will contact Clark this p.m. to indicate preference of drilling contractor.
- I. Clark will prepare memo detailing contractor options and outlining drill program.


KJR:lmb

attachment

AGC1G000038